## City of Detroit

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TO:

The Honorable Detroit City Council

FROM:

David Whitaker

Research and Analysis Division Staff

DATE:

June 21, 2007

RE:

RENT CONTROL IN THE CITY OF DETROIT

The Research & Analysis Division (RAD) was requested by the Honorable City Council to research and report on the feasibility of establishing rent control in the City of Detroit. Rent control refers to laws or governmental regulations that limit the amount of rent or rental increases that landlords can charge. In 1987, Detroit voters enacted rent control by referendum. Because this interfered with a private individual's right to control their real property, the Michigan Legislature responded in 1988 by passing a law revoking the right of cities to adopt rent control laws. Under subpart (2) it states that:

A local governmental unit *shall not* enact, maintain, or enforce an ordinance or resolution that would have the effect of controlling the amount of rent charged for leasing private residential property.

(Emphasis added)

Therefore, any alternation of law in this regard would need to be addressed at the state level.

<sup>&</sup>lt;sup>1</sup> 226 P.A. of 1988. A copy of the statute is attached for reference purposes.

## LEASING OF PRIVATE RESIDENTIAL PROPERTY (EXCERPT) Act 226 of 1988

## 123.411 "Local governmental unit" defined; rent control prohibited; management and control of residential property.

Sec. 1.

- (1) As used in this section, "local governmental unit" means a political subdivision of this state including, but not limited to, a county, city, village, or township, if the political subdivision provides local government services for residents in a geographically limited area of this state as its primary purpose and has the power to act primarily on behalf of that area.
- (2) A local governmental unit shall not enact, maintain, or enforce an ordinance or resolution that would have the effect of controlling the amount of rent charged for leasing private residential property. This section does not impair the right of any local governmental unit to manage and control residential property in which the local governmental unit has a property interest.

History: 1988, Act 226, Imd. Eff. July 5, 1988

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